

Fiscal Services Division

Legislative Services Agency

Fiscal Note

HF 2681 – Compulsory Attendance Age (LSB 5102 HZ)

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Fiscal Note Version – New

Description

House File 2681 increases the age for compulsory school attendance from 16 to 17 years beginning with the 2009-2010 school year. The Bill also makes related technical changes for dual enrollment and for children exempt from the compulsory attendance requirements. The Bill requires the Department of Education to convene a work group of education stakeholders during the 2008 legislative interim to review the support needed by students affected by this change.

Assumptions

- Home-schooled students continue to have a compulsory attendance age of 16 years old. These students are not counted in the public school budget enrollment and do not affect this estimate.
- The Department has indicated the costs involved for the work group will be absorbed within available resources.
- The Bill has an effective date of July 1, 2009, for the mandatory attendance change. The additional students will attend beginning with 2009-2010 school year. These students will be counted in October 2009 and be included in the FY 2011 budget enrollment for School Foundation Funding.
- The age of dropouts reported is as of September 15, 2006.
- School districts may apply to the School Budget Review Committee (SBRC) for on-time funding for the additional students in FY 2010 that would be funded through property taxes. It is not known how many school districts will have a sufficient number of students remaining in school to cause a school district to seek on-time funding.
- The State cost per pupil, assuming a 4.0% allowable growth rate for FY 2011, is \$5,768 for FY 2010 and \$5,999 for FY 2011.
- In FY 2007, there were total of 3,617 dropouts. Of the 1,309 seventeen-year-old dropout students, 247 had Individualize Educational Plans (IEPs). Future years will have similar numbers of affected students and the fiscal estimate is based on the number of seventeen-year-old dropouts.
- The Statewide average of students with IEPs is approximately 13.0%. A total of 13.0% of the dropouts will have an IEP and receive a special education weighting of 0.72.
- Approximately 25.0% of the students affected by the compulsory attendance age change will comply with the requirement.
- There were 973 dropout students age 16 or less in 2006-2007. There will be a similar number of dropout students under the current mandatory age of 16 in future years.
- There may be an impact in FY 2010 for increased enrollments for districts that would qualify for on-time funding. This would potentially increase local property taxes, but the amount is unknown and will vary by school district.

- A high school graduate will pay (in current year dollars) an estimated \$8,600 more in taxes than a high school dropout over a 45-year work life. Using the average cost per affected student, each student who attends one additional year and graduates will return approximately \$1,400 more in taxes than will be paid for the additional year of schooling. Each student that stays an additional two years and graduates will cost approximately \$6,100 more in School Foundation Aid than will be returned in taxes paid. No estimate is available for how many of the students that remain in school will actually graduate.
- Increasing the age for compulsory school attendance may create issues for truancy with the potential for mediation, civil penalties, and court involvement. Information is not available at this time to estimate that impact.

Fiscal Impact

In FY 2011, the additional 327 students will generate an estimated \$1.9 million in State Foundation Aid and \$270,000 in property taxes, for a total cost of \$2.1 million.

Sources

Department of Education
Fiscal Note for HF 779, 2007 Legislative Session
LSA Calculations

/s/ Holly M. Lyons

April 10, 2008

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
